



**MARKET RESEARCH AND BUSINESS
OPPORTUNITIES STUDY IN BOTSWANA**

Study conducted on behalf of the South African International Business
Linkages Programme (SAIBL),

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Acronyms

AGOA	Africa Growth and Opportunity Act
BECI	Botswana Export Credit Insurance
BEDIA	Botswana Export Development and Investment Authority
BIDPA	Botswana Institute for Development Policy Analysis
BOCCIM	Botswana Confederation of Commerce, Industry and Manpower
CEDA	Citizen Entrepreneurial Development Agency
CSO	Central Statistics Office
EAOB	Exporters Association of Botswana
FDI	Foreign Direct Investment
FIAS	Foreign Investment Advisory Service
GDP	Gross Domestic Product
HLCC	High Level Consultative Council
ICT	Information and Communications Technology
JITAP	Joint Integrated Technical Assistance Program
LEA	Local Enterprise Agency
NDP	National Development
NES	National Export Strategy
RSA	Republic South Africa
SAC	Southern African Customs Union
SME	Small and Medium Enterprises
SME	Small and Medium Enterprises
SMME	Small, Micro and Medium Enterprises
UNCTAD	United Nations Conference on Trade and Development
USA	United States of America
VAT	Value Added Tax
SAIBL	Southern Africa International Business Linkages
SADC	Southern Africa Development Council
PPADB	Public Procurement and Assets Disposal Board
MOU	Memorandum of Understanding
HATAB	Hospitality and Tourism Association of Botswana
BTB	Botswana Tourism Board
VPB	Venture Partners Botswana
DCC	Duty Credit Certificate
RIIC	Rural Industries Innovation Centre
NFTRC	National Food Technology Research Centre
IT	Information Technology
BDS	Business Development Services

EXECUTIVE SUMMARY

The purpose of the study is to identify and assess market and investment opportunities in Botswana for South African small and medium enterprises. The research considered the whole country. The study sought to establish the growth sectors, key import products as well as the possibility of match making among SMEs of the two countries, i.e. Botswana and South Africa.

Botswana has a vibrant economy driven by mineral wealth especially diamonds which account for close to 40% of the GDP. These have supported the bulk of the country's development efforts. Sound economic and political governance have been the foundation of Botswana's resounding success. Though the economy has performed well for many years, the government continues to be the main business player; the private sector is not very well developed. Botswana has posted surpluses in annual budgets and balance payments consistently for a number of years.

Key imports include foods, fuel, machinery, vehicles and other consumables. The provisional figures for 2006 showed imports at P18 billion with over 75% coming from South Africa.

The country has carried out several studies to inform economic diversification policies. Some of these were reviewed for this project including the draft National Export Strategy, draft FDI strategy, Situational Analysis, FIAS Report and the JITAP report on sector selection. These were followed by consultations with trade facilitators and interviews with importers and producers.

The results provided profound insight into the opportunities that exists for exporting SMEs in South Africa. Over 11% of the products can be supplied from these. Moreover local importers are amenable to changing suppliers. Many producers are willing to get into partnerships if these are facilitated well to address possible pitfalls.

The main findings of the report indicate that there are sound opportunities for South African SMEs to supply products that are in high demand by the general public across various growth sectors. Other opportunities exist in the construction and mining sectors, as well as through the public sector procurement system. While Botswana offers a wide range of opportunities for SMEs from RSA, it is important that the mode of entry into this market be carefully designed especially to secure some local participation. In this case several local institutions that are involved with trade support could be of great assistance.

PART I

1 BACKGROUND INFORMATION

1.1 Introduction

1.1.1 The Study

This study was conducted in Botswana in March and April 2007. It is part of SAIBL's strategy and methodology of support to SMMEs in a realistic and demand-driven approach.

The report is presented in three (3) parts. Part 1 gives background information on Botswana and the study. Part II contains the work done including literature review, interviews and consultations. Finally Part III gives key recommendations from the study.

1.1.2 Purpose of the study

The purpose of the study is to identify and assess market and investment opportunities for South African small and medium enterprises.

1.1.3 Study objectives

This study has the following specific objectives:

- i. Establish the demand (current and emerging) for South African products and services.
- ii. Identify key growth sectors (current and emerging).
- iii. Identify potential buyers for South African products and services.
- iv. Establish the legal and regulatory environment for importation of the identified products and services (and the identified growth sectors).
- v. Establish the current state of trade facilitation.
- vi. Develop contact details for potential Botswana businesses/individuals for matchmaking.

1.1.4 Key questions

In seeking to meet the above objectives the conduct of this study shall seek to answer the following questions.

- i. What are the key imports (goods and services), from where and could these be sourced from South Africa?
- ii. Which are the key growth sectors in Botswana? (identified priority sectors and those with potential for future growth)
- iii. Who are the main importers in Botswana, where are they buying from, what arrangements do they have and what is the likelihood of doing business with South Africa if that is not where they are currently buying from?
- iv. How is the business environment with regard to pieces of legislation and regulatory framework that affect the import trade as well as investment promotion?
- v. With regard to importation and investment promotion, what are barriers and what is the extent of trade facilitation? Any current efforts in matchmaking in Botswana through any other organizations?
- vi. What are the full contact details of the potential importers and candidates for matchmaking?

1.2 Botswana: Geography and Economy

1.2.1 The country

The Republic of Botswana is a multi party democracy and has pursued a free market system since independence. The country has been ranked number one in terms of credit rating by Moodys and Standard and Poor. According to the 2005 Transparency International Report, Botswana is ranked as the least Corrupt Country in Africa and it ranks well above many developed countries.

1.2.2 Geography

Botswana is roughly the size of France or Texas in the United States. The country's surface area is **581 730 sq km**. It is a land locked country, bordered by South Africa, Namibia, Zambia, and Zimbabwe. 84% of the land is covered by Kgalagadi desert.

1.2.3 Population

The population of Botswana is about 1.7 million people with a growth rate of 3.5% per annum. This population is heavily skewed towards younger age groups. An estimated 250000 people live in the capital city, Gaborone.

1.2.4 Economy

The country has had balanced budgets, often with surpluses, for the last ten years, and the economy has consistently grown at over 6% for several years with mining, especially diamonds as the main force driving that growth. The dependence on mining is so deep that the industry contributes close to 80% of exports and almost 40% of the Gross Domestic Product, GDP. This heavy reliance on one sector has prompted the government to consider finding ways and means of diversifying the economy.

The foundation of Botswana's economic successes is the country's track record of sound macroeconomic policies, good governance, reliable institutions and political stability.

1.2.5 Tax

Botswana has one of the simplest and comprehensive tax regimes in the world. Corporate Tax rates in Botswana are the lowest in the SADC region at 15 % for all manufacturing concerns and 25 % for other non-manufacturing. The 15% manufacturing tax include 10% withholding tax and 5% company tax. VAT is imposed comprehensively on an end –user basis at the rate of 10% on standard rated supplies and 0% on zero-rated supplies. The country has abolished all foreign exchange controls.

1.2.6 Transport

Botswana has a fairly good communications network by road and air to the region. Air Botswana provides highly reliable International flights from Gaborone to Johannesburg, Windhoek, Harare and Cape Town. They also provide internal flight service to Francistown, Maun and Kasane. South African Express airways also provide a dependable flight between Gaborone and Johannesburg.

1.2.7 Trade

Total imports to Botswana grew at the rate of 14% in 2004. Most imports are from SACU, 10.4 billion in 2004 (78% of total imports), mainly from South Africa. Significant imports also come from USA, UK, and Other Europe countries. Total exports stood at P13.4 billion in 2004; 78% of total exports went to UK partly due to diamonds exported through Diamond Trading Company in London. Exports to SACU countries constituted around 8% of Botswana's exports. Botswana's main export products are Diamonds, Copper Nickel Matte, Beef and Meat Products.

The major imports are as shown in the table below.

TABLE 1.1 IIMPORTS: MAJOR COMMODITY GROUP (C.I.F) (P million)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005*
Food, beverages and tobacco	968	1083	1247	1412	1494	1476	2077	2031	2202	2275
Fuel	365	465	433	495	523	712	768	824	1783	2202
Chemical and rubber products	584	749	843	941	1033	1090	1366	1428	1792	1972
Wood and paper products	418	512	653	819	817	928	921	1050	1463	1358
Textile and footwear	426	533	570	596	617	494	585	580	732	775
Metal and metal products	504	881	958	877	769	814	1015	921	1257	1255
Machinery and electrical goods	920	1453	2019	2142	2356	2078	2366	211	2634	2705
Vehicles & transport equipment	807	1648	1546	1374	1315	1285	2024	1476	2167	2067
Other goods	729	931	1244	1508	1688	1680	1715	1598	1756	1982
TOTAL	5721	8255	9513	10164	10613	10557	12837	12119	15786	16591

**Provisional figures.*

Source: Central Statistics Office.

Provision figures have shown imports at P18 billion in 2006 with about 75% of the goods coming from South Africa.

1.2.8 Investments

Botswana used to be a prime destination of Foreign Direct Investment, FDI, in Africa. This trend has slowed down and the country has lately been falling far short of its targets. The 2004 World Investment Report ranked Botswana 11th in Africa and 57th in the world for the period 2001-2003 in terms of FDI received. Tables 1.2 and 1.3 below show the FDI inflows and stocks for Botswana respectively.

Table 1.2

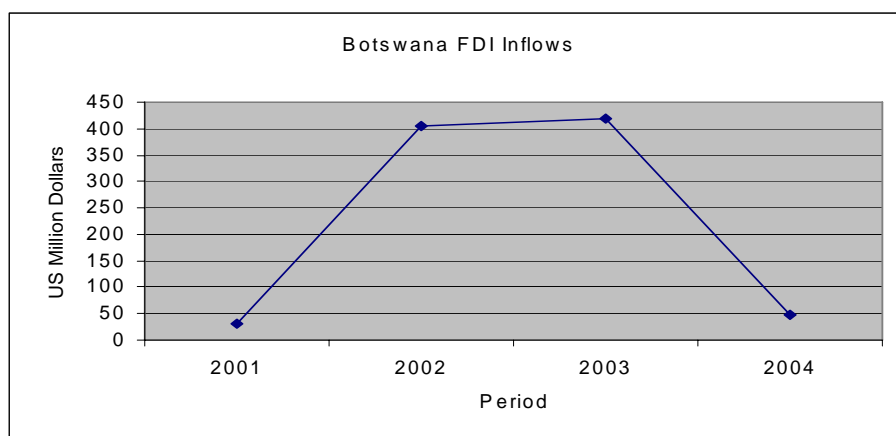
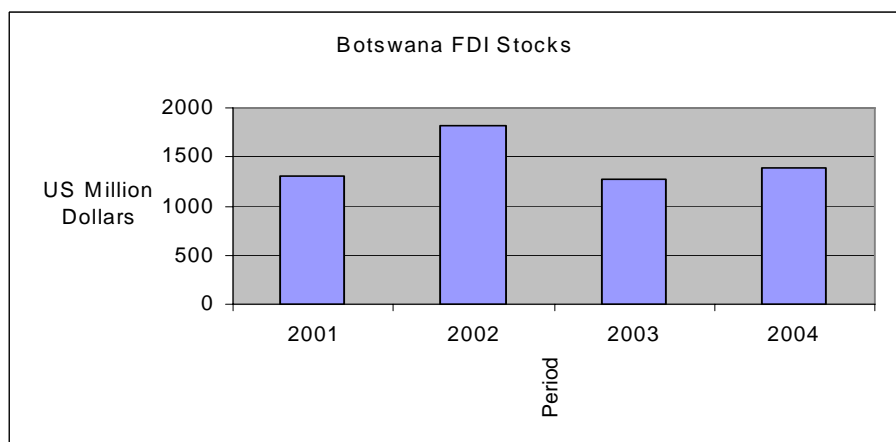


Table 1.3



Source: Bank of Botswana Annual Report 2005.

1.3 SURVEY DESIGN AND METHODOLOGY

1.3.1 Data collection: The study collected both primary and secondary data.

Secondary data was obtained from review of recent reports on trade and investment in the country. Primary data came from consultations and interviews with trade supporting institutions as well as with the importers. All the interviews were conducted face-to-face with the questionnaires (annex 1-1 to 1-3), acting only as guidelines.

The key trade supporting institutions consulted with were: Customs department and border posts; Clearing and forwarding agents; Department of international trade; Exporters Association of Botswana (EAOB); Botswana Institute of Development Policy Analysis (BIDPA); Botswana Export Development and Investment Authority (BEDIA); Botswana Export Credit Insurance company (BECI); Public Procurement and Assets Disposal Board (PPADB); and Debswana supply management chain.

The consultations aimed at establishing the growth sectors; the main activities of these institutions, their successes and the constraints they face, as well possible areas of cooperation with the SAIBL program in Botswana.

The interviews with importers served the purpose of getting to know the major products they import, where they get them from, the difficulties they face in importing and the possibility of switching suppliers. The contacts of the people spoken to for the purposes of this study are attached to this report as Annex 6.

Recent reports were reviewed to seek background information, obtain preliminary information on trends in the market, priority sectors and also the business environment.

Data from the Central Statistics Office, CSO, was crucial as it gave the actual import figures and led to the selection of importers for interviews. From this products of interest were selected. Clearing and forwarding companies helped to identify companies involved in the importation of the various items . Annex 4 shows the list of key products of interest.

Further assistance was sought from customs, Botswana Unified Revenue Services to obtain a suppliers' and importers' list with values. That list was eventually availed with help of Ministry of Trade and Industry. It is considered confidential. Extracts have been attached as annexure with the exact figures slightly altered. The importers were ranked according to value of their imports. Those with over P 10 million worth of imports per annum were flagged for interviews. The list of the importers to Botswana are noted in this report under Annex 2.

1.3.2 Findings and analysis: The findings from the review of the reports provided bases for both consultations and interviews. These findings are represented in summary form in this report. Their main contribution to the study has been in the areas of business environment and the growth sectors. Further import data was obtained from central statistics office which provided a major base for determining opportune products.

The consultations with the trade facilitators are also presented in summary form under each institution. Specific conclusions are drawn from each and these have fed into the recommendations of this study.

The interviews with importers collaborated the materials reviewed, tested the consultations with the trade facilitators and gave insight into other constraints the importers face. Moreover these interviews have revealed what other products would like to import, if they are interested in matchmaking and their key desires in such arrangements.

1.3.3 Recommendations

The recommendations suggested draw from the findings. They attempt to provide specific responses to the objectives of this study particularly with regard to; which products have most potential, which sectors should be targeted for investment opportunities, who should be considered for matchmaking, how anticipated difficulties in the legislative and regulatory environment may be overcome, and finally which local institutions to partner with in providing rendering trade support.

PART II

2. RESULTS AND ANALYSIS

2.1 REVIEW OF CONTEMPORARY REPORTS

This review was done as a starting point. The intention is mainly to gain background understanding of the business environment, the key non-mining sectors, and the planned way forward by the country.

2.1.1 A significant piece of work was done by the *Joint Integrated Technical Assistance Program, JITAP*. The purpose of the study was to provide a criterion for determining the priority sectors for export growth.

The report advocated for a balance mix of economic considerations with social and political objectives. Such should take into account major stakes such as job creation, technology advancement and industrialization, foreign currency generation, environment sustainability and food security. In any case priority should be given to creating an environment conducive to entrepreneurship and innovation.

The report emphasized the need to promote sectors that will make a real difference especially in areas that affect competitiveness, three of which were identified as: volume, value addition and cost competitiveness as summarized in Table 2.1 below.

Table 2.1

- **Volume:** In many sectors, insufficient production capacity is a major obstacle to growth, mainly due to lack of available capital.
- **Value Added:** Another major obstacle is the inability to process the commodities, and accordingly to add value and diversify products. Again this is attributed lack of available capital along with a shortage of skilled workers.
- **Cost Competitiveness:** Cost of doing business is a major issue in Botswana. Two factors stand out: labour cost vs. productivity and transportation costs. Close attention ought to be paid to these.

These are important issues to address so as to ensure that any eventual matchmaking results in improving this situation.

2.1.2 The Situation Analysis conducted by the *Botswana Institute of Development Policy and Analysis (BIDPA)* found that the import permit issuing is centralised and in Gaborone. Traders from as far as Kasane, Maun, Tsabong and Ghanzi have to travel to Gaborone to get an import permit. There is need to decentralise issuing of import licenses. The same study pointed out that the Control of Goods Act, which deals with import licensing, is an old act which is now out of date with respect to current developments and needs to be amended. Some goods no longer need an import permit. Such items include computer products, stationery and paper goods, rubber products, drinks, dry foods, small tools, auto and equipment spare parts, foams, surgical equipment among others.

2.1.3 A study on the regulatory framework, *the FIAS Report*, sponsored by the Foreign Investment Advisory Service, under the International Finance Corporation and the World Bank, identified numerous bottlenecks that hinder the development of the private sector in Botswana. This study may be of use to prospective exporters into Botswana to the extent that the goods they intend to bring require licensing, or where they may require to establish some local presence. The table below is a summary of the key ones to the extent that they impact on the objectives of this study.

Table 2.2

<i>Issues</i>	<i>Main Concerns Identified</i>
Access to Land	<ol style="list-style-type: none"> 1. Short supply and high prices of serviced land for erection of commercial and industrial building. 2. Poor coordination among land administration agencies
Site Development	<ol style="list-style-type: none"> 1. Delays in the issuance of development and construction permits 2. High installation cost for utilities
Redundant Licenses	<ol style="list-style-type: none"> 1. A large number of general and specific business licenses catch

	<p>all business activities. Many of the licenses do not seem to have any legitimate purpose or achieve the intended purpose</p> <ol style="list-style-type: none"> 2. Licensing procedures can delay the start of businesses by over 2 months 3. For foreign investors, work and residence permits must be obtained first before a license can be issued.
Trade and Customs Procedures	<ol style="list-style-type: none"> 1. Customs have valuation difficulties 2. There is apparent lack of professionalism on the part of clearing agents. 6. Some international trade procedures not well understood by importers and exporters 7. Complications of trading with and through RSA (

The government has determined to implement the recommendations of the FIAS report, however, this has proved to be a lengthy process. In the meantime prospective investors are advised to ensure adequate pre-entry preparations in anticipation of delays due to these regulations. The government's procurement agency, PPADB, seems to favour businesses that are based locally even if that be just a warehouse.

2.1.4 In its efforts to diversify the economy, the Botswana government through BEDIA, has developed a *National Export Strategy*. This strategy, still to go through parliament, has identified the priority sectors, high-lighted the key issues for consideration and made suggestions on how the aims of the strategy can be realised. Three issues come out vividly as being of paramount importance. These are: capacity development; private sector development; and trade facilitation. Between them they sum up the key constraints that bedevil the business environment in Botswana.

The strategy has recommended six priority sectors covering: Arts and Crafts; Garments and Textiles; Hides and Skins; Jewellery; Leather and Leather products; Meat and Meat products. Moreover it goes further to suggest that additional sectors should be added including: Tourism; Financial Services; ICT and Business Process Outsourcing; medical services; mining engineering services; construction, and Indigenous products. The criteria given as basis for selection rhymes with the earlier recommendation by the JITAP study mentioned above. These criteria considered the sector's potential in the following areas:

- i. Export growth potential;
- ii. Potential to create jobs;
- iii. Potential to contribute to poverty reduction;
- iv. Potential to exploit locally available raw materials;
- v. Availability of markets;
- vi. Decentralization of industry;
- vii. Potential to reduce rural to urban migration;
- viii. Potential to contribute to the empowerment of youth and women and to promote gender equality and equity.

All these sectors would require raw materials and other supplies, including business development services, which are often scarce in the country. This could be opportunities for South African SMEs.

A number of constraints need to be overcome to make these sectors competitive. According to the strategy many of these constraints relate to capacity. Competency development, adoption and utilization of appropriate technology, improvement of the business environment and the facilitation of vital trade support services are among the core problems. To ensure being in sync with government agenda, it is advisable to consider these sectors as the potential ones for investment. Moreover, their growth and development will require enormous inputs of raw materials, skills and technology most of which can be sourced from South Africa.

2.1.5 In the same breath of diversifying the economy, the government of Botswana has also embarked on an aggressive campaign to attract FDI. This is led by BEDIA with tremendous backing from the head of state. To articulate the ideals of this campaign an FDI strategy has been formulated by BEDIA.

The *FDI strategy* recognizes that there has been a gradual decline in the flow of investments into the country. Although the strategy does not dwell on it, consultations with the various line ministries as well as with BEDIA revealed that even locally generated investments have been declining, except where originated from the government through

empowerment schemes. SMEs from South Africa could provide some impetus into investment growth by entering into joint ventures with local businesses. This is especially more attractive when considering the Debswana supply chain initiative referred to elsewhere in this report. Some of the reasons given for this decline in investment are to do with historical political dispensations in the world. Botswana was for a long time a lone democratic gem in the midst of anarchy and next door to apartheid South Africa. Many multinationals found it an ideal, democratic, free society with sound economic and political governance. Further the exploitation of the mineral wealth required extensive infrastructural development most of which has been done such that current developments in this sub-sector are confined to replacements and maintenance. Finally the advent of multi-party systems of government and free trade, steered by World Trade Organization has seen trade barriers coming down and many countries becoming more attractive for FDI.

To support the investment promotion efforts, BEDIA has commissioned several research studies to enquire deeper into sectors that could draw in investors. As a result of those research efforts the following sectors have been short-listed: Leather goods, jewellery, textiles, Glass, beef by-products, data processing, and IT development. Some of these bear a resounding semblance to those identified by the national export strategy.

These are among the sectors that BEDIA and the country will be touting in pitching marketing for investment into the country. As it were these, except for jewellery, are predominantly small and medium enterprises' (SMMEs) domains. It would be simpler attract SMMEs from the neighborhood such as South Africa than far afield. With BEDIA's endorsement, it becomes much easier for foreign investors to set up shop in the country; either in production or as support services. The support envisaged here covers both goods and services. For South Africa SMEs it would be advisable to have registered companies and/or sales offices with Botswana addresses, or perhaps look into partnering with Botswana firms.

2.1.6 Some other vital sources of information in this study were the *National Development Plan 9 (NDP9)* and the *Budget Speech of 2007*. The NDP9 is the

government's long term planning tool which is then split into yearly portions reviewed through annual budgets. The NDP9 comes to an end in the 2008/2009 financial year. This explains the juxtaposition of the NDP9 and the 2007 budget speech in this paragraph. Having passed the half-way mark, the government is putting enormous emphasis on the completion of the projects earmarked in this plan. Consequently the budget speech of 2007 was punctuated by a desire to speed up the implementation of outstanding projects and programs, including the strategies referred to elsewhere in this report.

In this long term development agenda, the government has placed emphasis on; Economic diversification; employment creation and poverty reduction; productivity and growth; citizen economic empowerment; science and technology. The last to be the cornerstone of developing knowledge based economy. It is little wonder then that this year's (2007) budget had massive allocations to capital projects such as construction of a second university (a science and technology one), expansion of and building of new schools, a theme of global competitiveness and economic diversification; and numerous initiatives to create employment for the youth; special funding for the youth to venture into agriculture.

2.2 Results from consultations and interviews.

This section presents the outcome of the consultations with the trade facilitators (also referred to as trade support institutions). The main goals of those consultations were to seek their opinion of the growth sectors, get to know their mandates and key success, find out what are the key constraints that they face and what is being done about such problems. For the researcher's ease of presentation each institution is shown separately.

2.2.1 Botswana Export Development and Investment Authority (BEDIA)

This is the institution mandated to drive the exports and investment development for Botswana. According to them, their select sectors are those presented in the two strategies that have come from BEDIA, i.e. national export strategy and FDI strategy. The two strategies combined offer nine sectors thus: meat and beef by-products; crafts; garments & textiles; jewelry, leather, hides and skins; glass manufacturing; data processing and IT development.

BEDIA has been successful in alleviating the issue of work and resident permits. Investors who go through BEDIA have it much easier in obtaining these permits. They also help to speed up the allocation of land to investors. In 2006, BEDIA signed a memorandum of understanding with Limpopo province to facilitate trade exchanges between Botswana and Limpopo. This happened mid 2006. One company from RSA has commenced the process of setting up in Botswana, jointly with a local partner. They will be supplying livestock identification tracking devices. Other than that not much has happened though the two entities have retained close contact and have been facilitating each other's investors' visits between the two countries.

Despite these successes, BEDIA is still confronted with several constraints especially the slow pace of bureaucracy in delivering critical services to investors. BEDIA would be a useful partner in meeting the goals of SAIBL. Their MOU with Limpopo and the sector research work can add value. In matchmaking, BEDIA's Investments Promotions Department would be the most ideal platform to enter the country as they facilitate acquisition of permits, licenses and land. Although SMEs from South Africa may not necessarily establish physical production in Botswana, they might find having sales (satellite) offices here helpful, in which case they may require permits and licenses.

2.2.2 Botswana Confederation of Commerce, Industry and Manpower (BOCCIM).

This is the most active and vibrant private sector association. It has good rapport with the government.

BOCCIM sees four sectors as having good potential. These are agriculture (Especially horticulture and beef production); financial services; business development services; and crafts. As noted above with regard to the FDI strategy, such sectors provide opportunities to South African SMEs in two ways: one is through supply of inputs and; two, as opportunities for joint ventures- the Debswana supply chain route.

BOCCIM has been most successful in assisting employers deal with complex labour issues, literally sending advisors to accompany employers to labour department offices

when needed. They have also been successful in getting the government into regular consultations with the private sector through what is called the High Level Consultative Council (HLCC) which is chaired by the president. This has helped in fast policy review and implementation.

BOCCIM's major concerns are the slow pace of local enterprise development, laid back attitude of the private sector and the apparent lack of harmonization of public enterprises that are supposed to serve the private sector.

BOCCIM feels strongly about the slow pace of private sector development in Botswana. The confederation holds the view that joint ventures would speed up the process by bequeathing local enterprise with vital skills and technology transfers. It would be advisable to make formal representation to BOCCIM about sensitizing their members on the need to open dialogue with their South African counterparts; virtually all BOCCIM members are SMMEs. The most active BOCCIM sectors are agriculture (poultry and small stock), construction, baking, retail and small scale tourism operations. These could all benefit by engaging SMEs to source for them in RSA .

2.2.3 Hospitality and Tourism Association of Botswana (HATAB)

HATAB provides advocacy for hotel owners and other players in the tourism and hospitality business. Their key success has been the annual open season forum, which is a national come-together of all the members, where they invite government and other role players to listen to their key issues and offer assistance.

The major constraints faced by HATAB members are to do with acquisition of work and residence permits, leasing of land for development, level of skills and rising insecurity. There is also concern over the low growth and participation of local entrepreneurs as well as the uneven spread of tourism activities across the country with a huge skew on one region: Chobe-Okavango. Consultations with hoteliers and tour operators revealed four areas where local companies could link with their RSA counterparts. These are: (i) Supply of foods (fruits, small sachets of butter and jam/marmalade, dairy products), (ii) hygiene products (soaps, cloths, shampoos etc) ,(iii) training in hospitality and (iv) joint marketing.

2.2.4 Botswana Tourism Board (BTB)

BTB came to being less than a year ago. It has tourism marketing as its main mandate alongside development of the tourism sector. In their short life they have picked up marketing of tourism as the main challenge. This they feel should go hand in hand with development of local entrepreneurs in the sector. BTB welcomes working with like-minded organizations that would facilitate match-making. They see it a solid step towards skills development. There could be opportunities especially with the World Cup 2010 finals in South Africa. The Board welcomes suggestions on possible ways of working together. SMEs in South Africa could provide marketing and promotion services for Botswana businesses e.g. bookings for lodges.

There are very few local entrepreneurs in this sector even though the country has enormous resources that can be used for eco-tourism. Though BTB sees market as the main problem, it is more of how the marketing is done. There has not been much promotion of the local eco-tourism sites. Proposal can be made to provide comprehensive marketing services using successful practices in RSA for the sector in Botswana. This could be offered jointly to BTB and HATAB. Opportunities could clearly exist by bringing in SME business development advisors to assist local companies or to run workshops.

2.2.5 Debswana Supply Chain Management

This is an initiative to obtain goods and services for the mining giant from citizen owned and Botswana-based companies. It aims at creating local (Botswana based) capacity and also empowering citizens. There is much emphasis on creation of joint ventures as this leads to quick development of skills and technological transfer. SMEs in South Africa already established in supplying to mines could easily come in by identifying local companies to strategically partner with so as to supply Debswana mines. They do not necessarily have to set up operations here but it would add more weight to their prospects of getting big orders if they were seen to be linking up with local companies. A local sales office could suffice.

The program started in October 1999. So far it has attracted over 30 companies into Botswana (joint ventures) which have invested over P 100 million and created more than 800 jobs. The company has on its part assisted over 30 local companies by investing over P 27 million into their operations. More than 1500 jobs have been created in the process. Therefore in total P130 million has been invested, over 60 companies benefited and over 2300 jobs created.

The major challenges have been the limited number of local companies with capacity to handle Debswana projects, and the unwillingness of citizen owned companies to go into joint ventures with foreign companies. Institutions involved with trade development can step in to allay these fears. Such an initiative is already planned, with a joint venture training seminar scheduled to take place on 6th June 2007, organized by the Exporters Association of Botswana.

Successful SMMEs in South Africa should be identified and prepared for a joint forum in Botswana where local candidates for Debswana's support could be taken through a seminar to familiarize with joint ventures. A preliminary visit by the SAIBL trade team could lay the ground work. Any interested SMEs (including the business contact from Limpopo) could be put in a follow up trade mission. Their fears would be addressed and they would be made to understand the hefty gains they would stand to make. They could then interact with their South African colleagues. That networking would set the ball rolling for further contacts. Sponsors for such a forum would need to be sought.

2.2.6 Botswana Export Credit Guarantee Insurance Company (BECI)

BECI is the leading and perhaps the only credit insurance guarantee company in Botswana. The company is proud to have listed many firms in the country for credit cover. The main concern is that many SMMEs do not understand the role of credit insurance and have therefore not been able to access the services. This is particularly critical for SMMEs in the crafts and leather sectors whom often site fear of not getting paid as their main reason for keeping away from exports. Another constraint is the lack of trade finance for SMMEs such that even when they know the importance of credit insurance they see it as an expensive cost. BECI continues to educate traders through all possible means and

would welcome partners in their efforts. Due to the often sited trade finance problems that most SMEs face, BECI could come in handy to provide credit guarantees to South Africa SMEs to facilitate supplying on credit.

2.2.7 Exporters Association of Botswana (EAOB)

The Exporters Association of Botswana provides export support services. It has been very active in lobbying for support in the textile sector. Currently a major challenge facing SMEs is sources of raw materials for the garment and textiles industry. SMEs in South Africa could find a ready market through the UNDP funded garments cluster development program. The EAOB would be an ideal contact. The Association is expanding its mandate to cover manufacturers, even those that are not exporting. The body has the added mandate of implementing the recommendations of a recent study on trade and poverty reduction program. This will mainly involve small producers in the craft and leather sector as well as in eco tourism. Many of these firms lack skills and are in dire need of appropriate intervention strategies.

The other problems sited by the Association are to do with high transport costs in the country, lack of packaging material and services for small producers, and lack raw materials (e.g. yarn, cloth, ready trimmed cuts, leather, palm for basket weavers) for the garment manufacturers as well as the basket weavers.

2.2.8 Venture Partners Botswana (VPB)

This is a venture capital fund organization established by the Citizen Entrepreneurship Development Agency (CEDA). It offers seed capital to businesses with local shareholding. The Partners then join the management of the company with a maximum of 49% shareholding, depending on the proportion of funds injected. They quit the board and dispose of shares when the loan is fully paid.

The main challenges of the fund are lack of management expertise on the part of many of those who come for assistance and the limited amount of funding available. The fund was established with P200 million and this puts a low ceiling on the number of businesses that

can be assisted. Moreover the interest rates charged are the market rates hence making it less attractive.

VPB's major concern at the moment is what to do after the seed capital of P200 Million is exhausted, which could be any time within the next two years. They could do with help in finding creative ways of sustaining their operations to finance more operations. Furthermore their experience so far has been a learning curve for the nation. Coupled with the Debswana Supply Chain Management initiative they provide good grounds for other parties to venture into venture capital funding.

Discussions with the ministries of Finance, Agriculture, Tourism and Trade all ended up referring to the programs and projects either in the NDP9 or those covered by the various institutions discussed above. Except for one new organization, Local Enterprise Authority, LEA, all the others gave the researcher good audience and responses. This may be an area of follow-up for the SAIBL programme.

2.2.9 Public Procurement and Assets Disposal Board

This is the main purchasing authority for the government. The board encourages local and citizen preference in buying. It is keen to use the government enormous purchasing power to influence location of production in Botswana so as to develop local capacity. Not all activities need to be based in the country though. Supplies of items such cleaning materials, protective clothing, packaging materials, furniture, stationery and printing can easily be done by SMEs in South Africa.

2.3 Results of interviews with importers

There are about 100 firms involved in regular importation of goods. Many public enterprises make significant imports but these are rare, except for Botswana Power Corporation.

The interviews with key importers were meant to establish the import patterns, who they buy from and if they would consider buying elsewhere. In addition they were asked to state any major problems they face. This part of the research also covered the clearing agents who provided crucial information regarding importers and import procedures.

Unlike the trade facilitators who were only a few, the importers were numerous and therefore it would be cumbersome to cover their feedback individually. Instead the responses have been consolidated in the respective enquiry categories. The list of contacted individuals is provided as Annex 6 of this report. The findings from these interviews are arranged in the following order:

- i. Import procedures.
- ii. Common import products that could be of interest to SMMEs.
- iii. Growth sectors that provide opportunities for joint ventures and related matchmaking and Interviewees attitude towards joint ventures.
- iv. Key constraints faced by importers.

2.3.1 Import Procedures. The table below shows the import procedures. This relates to goods imported from South Africa and other SACU countries only.

Table 2.3

Import procedures
Imports from South Africa suppliers are cleared into Botswana at the border. Value added tax (VAT) is paid on all goods and can be claimed at the border, if within a certain minimum or at South Africa VAT Refund office in Gaborone.
No customs duty is payable on goods purchased from SACU Member States, but Botswana VAT at 10% is payable at the border. Many importers have deferred accounts with the Department of Customs and Excise and pay monthly. Before calculating the charge, Customs add 5% to the invoice value to cover freight if it is not included in the goods invoice, and if no separate freight invoice is produced. About half of the import declarations made at the border are manual, whereas at Gaborone Regional Office 90% are electronic. In both cases, the declarant may be the importer or a licensed clearing agent acting on behalf of the importer.
Pre-clearance procedure: The pre-clearance procedure is a procedure designed to speed up customs clearance by processing documents before the goods arrive. Faxed copies of supporting documents may be submitted for this purpose, but originals are required before customs charges are paid and the goods released.
Electronic declaration: When operating this, the declarant calls up a form, BW500 (SAD) format on the computer screen, and enters the required information in the relevant boxes. When giving the standard information about the nature of the consignment, the declarant enters the tariff code and value, but does not declare the rate of duty or the amount payable. This information is then sent electronically to the customs computer where checks are made for completeness and validity. After acceptance of the data by the computer, the software obtains the rate of duty from the tariff file and calculates the payable. It also allocates it to red, yellow, green or blue channel clearance.

Red channel clearance means that both goods and documents must be examined. Yellow channel clearance means that only documents will be checked. Consignments that are allocated to green channel clearance are released without examination of documents or goods. Blue channel consignments are subject to documentary checks after being released. If good reason is found after a consignment has been allocated to yellow or green channel clearance, additional checks may be made before clearance.

Manual declaration: In addition to giving the standard information about the consignment, an importer or clearing agent who completes a declaration manually must also declare the tariff code for the goods, the rate of duty, and calculate the charges payable. Four copies of declaration form BW500 must be taken with supporting documents to the customs office where data are input to the computer by customs staff. Some delay may occur when many declarations are received at about the same time. The computer checks the completeness and validity of the declaration. After acceptance of data, the computer checks the rates of duty from the tariff file and checks the declarant's calculation of the charges payable. It then allocates it to red, yellow, green or blue channel clearance.

Support documents: The supporting documents required for imports are commercial invoice, transport documents, import permit for listed goods, packing list when needed to facilitate customs examination of goods, and certificate of origin. The importer may be asked to complete a valuation questionnaire (from CE 55) for imports. It requires details of trading relationship with the supplier and questions about possible supplementary payments. Veterinary certificates are required for live animals, health certificates for meat, and phytosanitary certificates for plants.

Source: Botswana Unified Revenue Services and the FIAS Report.

2.3.2 Rebates. There are some rebates, where the goods relate to purchase for use to produce export goods. These rebates are as summarised in the box below.

Table 2.4

Customs Duties Rebates

The Customs and Excise Duty Act and the Value Added Tax (VAT) Act exempt payment of certain customs and excise duties, as well as VAT, on raw materials imported by registered manufacturers. These schemes are covered by SACU rules. These schemes function effectively with few unnecessary delays imposed on importers using the schemes.

- ❑ **General Rebates:** Raw materials not exempted under the Industrial Rebates Concession – when imported for manufacturing for export outside of the SACU area – may be exempted under the General Rebates of Duty Concession. The provision for rebates of customs duty extends to raw materials that are not available locally. The rebate concession is withdrawn once raw materials become available locally, even if this is at a higher price. Equipment imported on a temporary basis for specific projects is duty exempt.
- ❑ **Industrial Rebates:** The Industrial Rebate Concession exempts from payment of customs duties some raw materials for products sold in the domestic market or exported. Industrial rebates are only available to targeted industries that the Government would like to stimulate, such as the textiles, prepared foodstuff and beverage industries.
- ❑ **Customs Duty Drawback:** under the Customs Duty Drawback Facility, exporters may claim a refund on any customs duties that they paid on imported materials used for producing export products. Within six months of

- ❑ **Duty Credit Certificate (DCC) Facility:** the DCC Facility is a product specific one and is applicable to the textiles and clothing industry. Under the DCC Facility, rebates of customs duty are extended to companies that have been exporting outside the Southern African Customs Union (SACU) for at least a year.
- ❑ **Importers of machinery used for exports can claim repayment of VAT under 'schedule 4'.** Most machinery imports are already zero-rated for tariff purposes.

Source: Botswana Unified Revenue Services & BIDPA's Economic Diversification Study July 2005.

Prospective exporters into Botswana should be given some basic awareness training on these procedures and rebates.

2.3.3 Import products that SMMEs could supply into Botswana.

There are many products which the SMMEs in South Africa could supply into Botswana. For purposes of this report, goods were considered which are supplied liberally by local

stores; also those that are fairly generic and not carrying prohibitive standards requirements (not to suggest substandard supplies); goods commonly used by ordinary people and by local farmers, schools, councils and SMEs; as well as small tools and appliances that mines are ordering. The list deliberately sort to exclude products that tend to require heavy plants which are ordinarily the domain of multinationals. Out of the close to 18 billion worth of imports in 2006, these items account for about 2 billion, or 11%. Below is a summary of these products. A more detailed list is provided as Annexure 4.

Sector	Products
Agriculture	Live animals, seedlings, chemicals, simple irrigation equipment & tools.
Construction	Brick moulding equipment, paints, interior decoration, prefabs, lightning arrestors, wheelbarrows
Crafts	Decorations, beads, palm, leather, tools, product design, marketing.
Financial services	Venture capital, financial management services.
Health (public health, personal care)	Surgical goods, sanitary items, natural food supplements, tooth brushes, exercise equipment, cleaning material, protective clothing.
ICT	IT training, payroll software & support, data processing.
Machinery & electrical goods	Mining appliances, sockets, adapters
Foodstuffs and beverages	Processed foods, spices, wines, dairy products, grains, tobacco.
Vehicles and transport equipment	vehicle parts (nuts and bolts)
Chemical and rubber products	packaging material, protective clothing, cleaning material
Support services	BDS, packaging
Tourism	Training, marketing
Wood and paper products	ceramic products, printed material, paper products,

The bulk of these products, if not all, are commonly supplied through the chain stores in the country, many of whom took part in the study (Annex 2). They expressed great desire to switch suppliers if it could mean better profit margins and without additional importation

hustles. The current list of SAIBL clients virtually covers all these products. It is important to start establishing contacts immediately.

2.3.4. Opportune growth sectors and attitude towards partnership.

- i. **Agriculture.** The potential in agriculture is most profound in cattle farming and horticulture. In this year's budget speech, the government allocated P 50 million into a special fund for the youth to get into farming. Majority of the youth so far have expressed interest in horticulture because they see it as having short pay back periods and high returns. This is as per early reports from the administering agency, CEDA. Horticulture puts pressure on supply of *shading nets, seedlings and small farming implements among other products*. On the other hand, Botswana is traditionally a cattle country. Over one year ago the main cattle buyer, the Botswana Meat Commission increased prices by 40%. The results were not immediate, but starting late 2006, the commission has been inundated with cattle for slaughter. More and more farmers are getting into feed lots which mean buying low weight cattle and fattening it for sale at good profit. This has created a big market for *fodder*.
- ii. **Agri-processing.** At the institutional level there are two organizations in the country that have direct links with agri-processing. These are: Rural Industries Innovation Centre (RIIC), and National Food Research and Technology Centre (NFTRC), both of them based in Kanye, 100km south of Gaborone. RIIC makes and sells technology to producers. These are mainly for activities such as milling and fodder production. NFTRC supports food processing related research. These two institutions provided four contacts from their clients; two were in milling, one is making peanut butter and the fourth is making sweet and salty snacks from maize grit. The latter two showed most enthusiasm and potential. The one making peanut butter though unwilling to get into any kind of partnership shared his experience. He revealed the need to package peanut butter into minute "breakfast" sachets for supply to hotels and restaurants. The snack firm is keen to get into partnership. In deed the directors even followed up and got the researcher to meet with BEDIA as a confirmation of their interest.

- iii. **Another sector** with high potential is the *Information Technology*. There are big suppliers through “channel” distributorships for the leading brands, however some clear niches remain. These are more especially in *payroll systems, data processing and training*. Many organization look for affordable easy to support payroll systems. These will find a ready market. Coupled with this is the need for data processing. Many small traders have trouble with their book keeping because of inability to cope with manual records. Besides they lack the computer skills. This creates another market for both *training and data bureau*. SMEs from South Africa can provide payroll and other data processing services in the country. In doing this they could provide packaged training manuals and payroll software.
- iv. **Cleaning material and protective clothing**. Although this may be seen as falling under garments/textiles, it is more on its own. The mines, the central government, through the department of supplies, and the various councils in the ministry of local government, consume a lot of these products. The products can be produced locally using raw materials sourced from South Africa or even the finished goods to be sourced from there. It would be desirable to encourage local production as that finds favor with the government purchasing departments. The Debswana Supply Chain Management could facilitate such joint ventures in this sub-sector.
- v. **The crafts sector** is another major one. The sector needs injection of ideas for product development and use of modern technology as well as skilled marketing. The most selling product in the crafts sector is the world-renowned Botswana basket. The weavers are faced with shortage of raw materials, the palm. They often have to buy from Namibia and Zimbabwe. Alternative materials are welcome and such could come from South Africa. Such alternatives could include reed, papyrus, leather and sisal. There is a dearth of skills in this sector. Business development services could find a ready market. The AGOA market provides additional market for the products from this sector. It is an ideal one for matchmaking. Several producers interviewed have expressed desire to get into partnerships that would help them expand their capacity.

- vi. **Leather, hides and skins** This has long been identified as a potent sector. The research confirmed it. Due to the large population the country has always had hide and skin tanning as a popular art that many people carried out in their homes. The Department of Animal health in the Ministry of Agriculture has taken this many steps further by training many Batswana in the trade. Many of these have perfected the skill. Their biggest problem is capacity. They can only make a few items at a go using crude tools. The sector has received a major boost with the establishment of a tanning factory recently. While there are those who are comfortable with their very low volumes of production, there is a big crop of young artisans who wish to join hands with more experienced producers to gain higher market access.
- vii. **Glass- recycling.** This sector has been identified by BEDIA. Already one investor from Kenya has shown interest. The sector would be counting on the soda ash produced at Sua Pan for supply of raw materials. The construction industry would be the main market. In addition to this there is also glass recycling which would produce art glass. This would utilize broken glass as raw materials. There are two promoters looking for partners to join hands with. Their key constraint has been capital to procure a small smelter from Holland. If there are SMEs in South Africa doing this kind of work they could be sub-contracted by the Botswana interested parties to make the desired products for them while they strive to raise capital for the smelter.
- viii. **Franchising.** The terms of reference for this study suggested franchise as one of the sectors to look into. A few franchises exist especially in the food business. These include Nandos, KFC, Chicken Licken and Barcelos among others. Many others have come and gone. Nevertheless, there exists, as several big stores confirmed, a market for small coffee shop franchise. The concept they floated is to locate a small coffee outlet (more of an inlet) inside the store. This would cater for shoppers who often take long in stores. It would also cater for those who accompany such shoppers. This venture would require more in-depth research.

- ix. **Furniture manufacturing.** This includes household, school and office furniture. There is potential for growth in the supply of primary school desks, both wooden and steel. These are purchased by the councils through tenders. Councils revealed how suppliers often fail to meet orders. Moreover they indicated that there are also ready no available manufacturers to repair such furniture once broken, and schools are often forced to purchase new ones.

These sectors cover areas that do not require very high levels of investment, in terms of initial capital outlay. SMEs in RSA which may be expanding and acquiring new plants could consider using their old plant to set up operations in Botswana either as joint ventures or to set up turn-key operations for locals. (Recently a new sorghum beer brewer had one of the shareholders from outside contributing some used plant) The resultant synergies of creating partnerships would be providing substantial boost to the SMMEs across both countries. The structures in place such as BEDIA, Debswana, Venture Partners Botswana, EAOB and SAIBL can work together to identify “champions” in each sector who could pioneer the process. From the interviews conducted a list of possible match-makers is appended. These are companies which are ready to deal with South African SMEs and could provide a good starting point for SAIBL.

2.3.5 Key Constraints

- i. **Customs procedures:** Importers find the customs procedures cumbersome and frustrating. Though there is a customs union, often they say the demands both sides of the border are so conflicting that it does not look like a customs union at all. This is said to be particularly so on the Botswana- South Africa border. There are said to be many forms to fill and different requirements by the two sides. One can consider providing interventions at this stage, remember the quality of services by clearing and forwarding firms was noted earlier as being insufficient.
- ii. **RSA supplier problems with internal difficulties which affect their ability to export.** Several importers especially the mines and building material suppliers explained that they have identified alternative suppliers who were unable to supply due to

failure to comply with some internal requirements. It was not clear what requirements but it could be export permits or VAT related. This problem was more so with those who are making simple food processing equipment and also suppliers of brick moulding machines. The Botswana importers explained that such suppliers often ask to be met within South Africa to pass over the goods. This makes it difficult to switch from one to the other. SAIBL should establish from the South African side these problems are.

- iii. **Economic quantities for transport.** As the costs of transport are high, the local importers explained that they are faced with difficulties of sometimes having to wait to reach a point where ordering from South Africa can be justified by the size of the order; i.e. to lower costs. This is more so with the mines, two of which said they always have to put together an order of 26 tons, made up of different things to make it economical to place an order. An ideal situation would be to put different orders together and deliver into the country for delivery to the various locations.
- iv. **Raw materials and packaging.** Many local producers, especially small ones in sectors such as crafts and leather, are faced with problems of packaging. They make bulky and often delicate items, and in the case of crafts, products are at times also fragile. The nature of the products makes it difficult to carry around and therefore tourists are discouraged from buying. The artists need help with both the expertise on how to package as well as with the actual packaging material. There are business opportunities in the supply of raw materials into the craft sector and also in assisting the producers with packaging.

PART III

3. RECOMMEDATIONS AND CONCLUSION

General

These recommendations draw directly from the findings of this research. They are expected to ensure the appropriate choice of sectors and products to trade in as well as to identify the right partnering people and firms. Moreover they also propose ways of alleviating the constraints faced in the environment.

Sectors of high growth potential

Entry strategies should be developed and well tailored for the main growth sectors and products identified outside of the mining sector. These include agriculture, agro-processing, IT services including data processing and training, cleaning materials and protective clothing, crafts, leather, glass recycling, small in-house coffee franchise, and school furniture. For each sector there is at least one enthusiastic entrepreneur willing to get into partnership. Opportunities through the Debswana Supply Chain Management also indicate areas for South African SMEs to supply products to the mining sector.

SAIBL should give priority to the sectors identified by both the National Export Strategy and the FDI Strategy. Annex 6 lists the companies, sectors and products that can be taken advantage of immediately. This will ensure being in sync with government agenda. Their development will also open up markets for inputs such as raw materials, skills and technology most of which can be sourced from South Africa. Besides as they have BEDIA's endorsement, it would be much easier to set up some kind of operations (such as sales agencies) in the country. A formal letter may be written to BEDIA indicating desire to get involved in these sectors and request for advice on how SAIBL can be engaged. The consultations with BEDIA already hinted at this. This can be pursued with intent of promoting opportunities for developing business transactions.

SAIBL should identify successful facilitators in the tourism sector to provide marketing training and other support to help Botswana entrepreneurs in the sector improve their promotional skills. This can be coupled with other business development services to improve competence of the sector. A formal proposal can be made to Botswana Tourism Board and HATAB. Moreover individual consultants in South Africa with competencies in this sector can be encouraged to venture into the market. Some possible goods that could be supplied are mentioned above.

There is an opportunity in venture capital funding through the Venture Partners Botswana. As they move towards exhausting the seed capital of P200 million they would be receptive to new partners and or sources of new capital. This could be through direct involvement or by way of facilitating support to institutions that may have such funds.

Main opportunities for RSA SMEs

As many of the current SAIBL clients in South Africa are already dealing with many of the commonly traded products, they should make direct contacts with the Botswana's leading chain stores, several of whom are listed in this report. These shops have expressed great desire to switch suppliers if it could mean better profit margins and without additional importation hustles. The current list of SAIBL clients virtually covers all these products. It is important to start establishing contacts immediately..

SAIBL should consider the government's overriding intent to fast-track the goals of NDP9 and especially to attain economic diversification that will lead to creation of jobs and reduction of poverty. This can be capitalized on by seeking direct approval from the Ministry of Trade to provide assistance in developing the capacities of the local SMMEs through the match-making program and also by engaging South African SMEs to provide business development services. (With the proximity of South Africa to Botswana, it is possible to sell the idea of using South African SMEs to be mentors to their Botswana counterparts even through the Citizen Entrepreneurship Development Agency).

There are tremendous opportunities for joint ventures between RSA and Botswana SMEs which would not involve heavy investments. Successful SMMEs in South Africa should be

identified and brought in to a joint forum in Botswana to meet with local candidates for partnering. This will address their (Botswana SMEs) fears and they would be made to understand the hefty gains they would stand to make. It will also be an opportunity to interact directly with their South African colleagues. That networking would set the ball rolling for further contacts. Sponsors for such a forum would need to be sought. The Exporters Association of Botswana together with BEDIA and Debswana Supply Chain Management can be approached to partner with SAIBL for a one day forum. It would even more ideal to organize a trade exhibition in Botswana for such firms.

Regulatory Environment

The current environment is faced with competitiveness challenges of which volumes produced, value addition, and cost competitiveness are critical. These are important issues to address so as to ensure that any eventual matchmaking results in improving this situation. In venturing into Botswana, efforts should be made to ensure that any partnerships result in improving this situation. Best practice lessons from similar sectors in South Africa and elsewhere should be emulated.

It is important to make adequate provisions for the ideal time frame it would take to get any undertakings in the country established. This is because much as the government of Botswana has determined to implement the recommendations of the FIAS report, it has proved to be a lengthy process. Issues such as company registration, permits, land and licenses take relatively long to acquire. These delays should be anticipated.

SAIBL should make prospective exporters into Botswana aware of the import procedures and rebates especially those who may be looking at establishing bases in the country.

Institutional support

The central buying agency for the government, PPADB gives preference to local suppliers when adjudicating tenders. With this in mind, SAIBL should encourage their members to explore ways of establishing presence in the country.

BEDIA should be taken on board as a useful partner in meeting the goals of SAIBL. Their MOU with Limpopo and the sector research work should be requested and reviewed in-depth to identify any further opportunities. In matchmaking, BEDIA's Investments Promotions Department would be the most ideal platform to enter the country as they would facilitate acquisition of permits, licenses and land.

SAIBL should approach the Exporters Associations of Botswana, which is now covering non-exporting manufacturers and BDS firms, for an exercise of identifying champions in each of the priority sectors. Such champions would be the key drivers of match-making efforts. They would be the ones to participate in the kind of forum mentioned above.

A way of getting BOCCIM to sensitize their members on the need to open dialogue with their South African counterparts on joint ventures should be explored. SAIBL may offer to address the BOCCIM members in a special called Forum. This should be possible because BOCCIM feels strongly about the slow pace of private sector development in Botswana and holds the view that joint ventures would speed up the process by bequeathing local enterprise with vital skills and technology transfers. BOCCIM members may find it easier dealing with suppliers of similar structural orientation besides the South African SMEs also offering them vital support development services.

Finally, SAIBL should identify a firm or group of firms with capacity to provide customized logistical support in clearing and forwarding and packaging to small firms.

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Annex 1-1: *GUIDE QUESTIONS FOR IMPORTERS*

FILL COMPLETE AS APPROPRIATE.

1. Company and business name:

.....

2. Contact details:

.....

.....

.....

3. Contact

person:.....Tel:.....Cell:.....

4. Year started business:.....

5. Main imports:.....

6. Clearing agent:.....

7. Which is your main customer group?

- Schools
- Retail shops
- Government departments/offices
- Walk-in customers
- Other (please specify).....

.....

.....

8. In which country are your suppliers based?

- RSA
- Other SACU
- Other SADC
- Rest of Africa
- Europe
- North America
- China
- India
- Japan
- Other-please specify.....

9. How long have you been buying from these suppliers?
- 1- 2 years
 - 3-4 years
 - Over 5 years.
10. From your experience how is the local environment with regard to import procedures?
- Very easy
 - Easy
 - Difficult
 - Very difficult
11. In which areas do you encounter most problems in your import activities? (Tick all that are applicable. Use 1-5 to rank them if more than 1. 1- most problematic).
- Customs procedures
 - Packaging
 - Payment transfers
 - Transportation
 - Identifying suitable suppliers.
12. Would you consider buying from a different supplier, if such would make the transactions less cumbersome? YES/NO
13. Would you be interested in a joint-venture in:
- Similar business? YES/NO
 - Different venture? YES/NO
14. SAIBL supports business relations with domestic and international firms. We have over 60 firms which are involved in export. Would you like more information about them? YES/NO.

Annex 1-2: Guide Questions for consultations with trade facilitators.

1. When was the organization/department started?.....
2. Briefly what would describe to be the purpose of your organization or department?
.....
.....
.....
3. Who are your main clients? (Who do you normally serve?)
.....
.....
.....
4. What, in your opinion, are the key constraints in the business environment with regard to trade facilitation?
.....
.....
.....
.....
5. How is your organization involved in helping to remove these bottlenecks?
.....
.....
.....
.....
6. In which of the following are you involved? (Tick all those that you are involved in and indicate the rank of engagement; 1 –very involved, 9- for least involved).
 - Market access
 - Investment promotion
 - Entrepreneurs' competency development-capacity building
 - Quality and standards
 - Dissemination of trade information
 - Trade finance and credit guarantee
 - Policy advocacy
 - Other support services- cargo handling, packaging, clearing & forwarding.
7. Briefly describe your level of successes so far.

.....
.....
.....

8. Has your organization been involved with any kind of matchmaking e.g. joint ventures?
YES/NO.

9. In which sectors were the partnerships?

.....
.....
.....

10. Is the relationship still on? YES/NO.

11. In your opinion, what are the key difficulties in promoting partnerships/joint ventures in
the country? (Whether between citizens or with foreign entities).

...a.....b.....
.....c.....
.....

12. Which sectors does your organization or department put most emphasis on? Please list
in order of priority.

...a.....b.....
.....c.....
.....d.....
.....e.....
.....

Annex 1-3; *Guide to questions for consultations with the line ministries:*

1. The cost of doing business in Botswana has severally been sited as being higher than in the neighboring countries. This is particularly so in the costs of utilities (interest rates, water, electricity and telecommunications) as well as in the costs brought about by delays in the regulatory framework (licenses, permits, registration of companies and acquisition of land). How is your ministry involved in alleviating this situation?

.....
.....
.....
.....

2. What incentives and or preferential treatment can be expected in getting engaged in a joint-venture with local SMEs?

.....
.....

3. Botswana has several active initiatives targeted at increasing the pace of export development and investment promotion. We note in this case, the National Export Strategy, the FDI strategy, the economic diversification efforts, the poverty reduction efforts, the branding project, the diamond beneficiation and also NAAMPAD. In what specific aspects is your ministry contributing to these initiatives and especially the implementation?

.....
.....
.....

4. The FIAS Report highlighted numerous barriers to effective conduct of business in the country. Of particular concern are those issues relating to acquisition of land, work and residence permits, licenses and company registrations. One may also add the registration with the Public Procurement and Assets Disposal Board (PPADB). How far is your ministry in acting on these issues in as far as they fall in your ministry's mandate?

.....
.....
.....

5. Several sectors have been identified as having great potential for growth. These have been found to among other things be capable of creating many jobs, contributing significantly to reduction of poverty and improving gender equality as well as increasing exports. Which of those sectors is your ministry best positioned

to support? Has any work been started towards ensuring fast tracking of their development?

6. SAIBL is a programme aimed at establishing mutually economically beneficial linkages between enterprises through creation of partnerships as in joint ventures and other workable strategic alliances. Botswana sounds keen on such too. These are important sources of skills development and technological transfers.

In which ways can we work together for the benefit of our local enterprises especially?

7. In the areas that we can work together which aspects could be done in the short term, medium term and in the long term?

8. How would successful implementation of such cooperation add to the realization of greater national goals such the country's National Development Program (NDP 9), VISION 2016 and the realization of MDGs?

9. Which sectors in your ministry are affected by reservation policies?

10. How does the reservation affect the competitiveness development of the sector?

11. There have been temporary bans on importation of certain products from time to time such as bread and fresh produce (oranges, cabbages) in the past.

- Are such bans on the basis of detailed research findings? YES/NO
- Are such bans imposed after consultations with other SACU members? YES/NO
- Are considerations given to any supply contracts in force?
- If there were joint ventures between entrepreneurs in the two countries, would they be affected equally? YES/NO

Annex 2: list of current (major) importers of those commodities that could be supplied by SAIBL clients. *(Confidential handling is requested)*

Tin	Company Name	Estimated import value (P Million)	Telephone Number	Physical Address
C005685	<i>SUPREME FURNISHERS</i>	33	3922788	Private Bag BO 282 Gaborone
C007495	SHELL OIL BOTSWANA (PTY) LTD	33		
C007919	<i>FURNITURE MART (PTY) LTD</i>	32	3905463	Private Bag BO 60 Gaborone
C038953	ORANGE CELLULAR (PTY) LTD	30		
C005241	<i>TRADE WORLD (PTY) LTD</i>	30	3922800	Private Bag 00479 Gaborone
C056184	MOOLMAN MINING BOTSWANA (PTY) LTD	30		
C00002302	<i>BUILDERS MERCHANTS BOTSWANA (PTY) LTD</i>	29	3922811	P O Box 249 Gaborone
C007477	<i>HASKINS J & SONS (PTY) LTD</i>	29	3951001	P O Box 1 Gaborone
C044732	<i>SPECIALITY STORES BOTSWANA (PTY) LTD</i>	27	39742443	Gaborone
C003125	REINFORCING STEEL CONTRACTORS BOTSWANA	27		
C005103	<i>PIPE FITTINGS & ACCESSORIES (PTY) LTD</i>	27	3901958	Private Bag BO38 Gaborone
C056436	AMERICAN EXPRESS	26		
C007344	NGAMI MOTORS (PTY) LTD	26		
C038464	<i>BOTSWANA ASH (PTY) LTD</i>	25	3912988	Gaborone
C007656	DULUX (BOTS.) (PTY) LTD	25		
C007772	<i>JAMAL TRADING CO. (PTY) LTD</i>	25	3922900	P O Box 493 Gaborone
C007876	MOTOVAC (PTY) LTD	25		
C005560	ORBIT PUMP MANUFACTURING (BOTS) PTY	25		
C004046	KENTZ BOTSWANA (PTY) LTD	25		
C007460	<i>BUILDING MATERIAL SUPPLIES (PTY) LTD</i>	24	2414444	P O Box 621 Francistown
C006273	ACKERMANS (BOTSWANA) (PTY) LTD	24		
C007766	<i>SCREEN PRINT (PTY) LTD</i>	24	3914788	P O Box 130 Gaborone
C007492	BOTSWANA BREWERIES (PTY) LTD	24		
C006378	SYSTEMS & INFORMATION - TECHNOLOGY	24		
C037956	MASCOM WIRELESS (BOTSWANA) (PTY) LTD	23		
C007590	SMC BRANDS BOTSWANA (PTY) LTD	23		
C038682	<i>CHANNEL TECHNOLOGIES INC (PTY) LTD</i>	23	3900568	Gaborone
C045734	C. G. WIRE WORKS (PTY) LTD	23		
C004251	AIR BOTSWANA CORPORATION	23		
C008096	RELYANT RETAIL (BOTSWANA) (PTY) LTD	22		
C048512	CONSOLIDATED POWER PROJECTS BOTSWANA	22		
C007724	<i>CENTURY OFFICE SUPPLIES (PTY) LTD</i>	22	3912655	P O Box 1478 Gaborone
C057077	<i>IT 4 AFRICA (BOTS) (PTY) LTD</i>	22	3939005	P O Box 10077 Gaborone

C062864	SEAVISION (PTY) LTD	22		
C056417	TWINPEAK INVESTMENTS (PTY) LTD	22		
C040963	TRANS-KGALAGADI DISTRIBUTORS (PTY)	21		
C007965	PIPEX PLASTICS BOTSWANA (PTY) LTD	21		
C045782	<i>MEGA SAVE (PTY) LTD</i>	<i>21</i>	<i>3936536</i>	<i>P O Box 26120 Gaborone</i>
C007865	<i>SENN FOODS (PTY) LTD</i>	<i>21</i>	<i>2413633</i>	<i>P O Box 185 Francistown</i>
C008032	MERCHANISED FARMING (PTY) LTD	21		
C039638	<i>TROPICANA F/TOWN (PTY) LTD</i>	<i>21</i>	<i>2413446</i>	<i>P O Box 11527 Francistown</i>
C038401	ROLA BOTSWANA (PTY) LTD	21		
C005516	HEALTHCARE MGMT. SERVICES (PTY) LTD	21		
C061606	RESHI INVESTMENTS (PTY) LTD	21		
C007785	TECHNIQUE (PTY) LTD	20		
C005176	<i>TROPICANA FRUIT JUICE DISTRIBUTORS P</i>	<i>20</i>	<i>3928070</i>	<i>P O Box 30745 Gaborone</i>
C036812	COLGATE PALMOLIVE DISTRIBUTION (PTY) LTD	20		
C003854	PYRAMID HOLDINGS (PTY) LTD	20		
C038063	<i>ORTHOSURGE (PTY) LTD</i>	<i>19</i>	<i>3902526</i>	<i>P O Box 2493 Gaborone</i>
C008138	PAY-LESS SUPERMARKET (PTY) LTD	19		
C007869	BARLOWORLD COATINGS BOTSWANA (PTY)	19		
C005892	FOUR TWENTY AGENCIES (PTY) LTD	19		
C049221	<i>COMMERCIAL MOTOR (PTY) LTD</i>	<i>19</i>	<i>3952641</i>	<i>Gaborone</i>
C008134	<i>TRIDENT CASH & CARRY (PTY) LTD</i>	<i>19</i>	<i>3913896</i>	<i>P O Box 1016 Gaborone</i>
C007493	MURRAY AND ROBERTS CONTRACTOR (BOTS.)	19		
C005905	BUY'N BUILD (PTY) LTD	19		
GOVT124	<i>MINISTRY OF EDUCATION</i>	<i>19</i>	<i>3655400</i>	<i>Private Bag 005 Gaborone</i>
C007934	BAMANGWATO MOTORS (PTY) LTD	19		
C057574	AAZAD ELECTRICAL CONSTRUCTION (PTY)	18		
C004629	<i>CONTRACT SUPPLIES (PTY) LTD</i>	<i>18</i>	<i>3922922</i>	<i>Private Bag BO53 Gaborone</i>
C053829	<i>AST BOTSWANA (PTY) LTD</i>	<i>18</i>	<i>3911458</i>	<i>Gaborone</i>
C006323	TYREPRO (BOTSWANA) (PTY) LTD	18		
C005859	<i>HIPER FORMANCE SYSTEMS BOTSWANA (PTY) LTD</i>	<i>17</i>	<i>3901422</i>	<i>P O Box 929 Gaborone</i>
C007119	REBAR (BOTSWANA) (PTY) LTD	17		
C005122	T.C.M. PLANT (PTY) LTD	17		
C006768	SPLENDID INVESTMENTS (PTY) LTD	17		
C007580	<i>BOTSWANA OXYGEN CO (PTY) LTD</i>	<i>17</i>	<i>3906464</i>	<i>Gaborone</i>
C007780	TIMCO (PTY) LTD	17		
C004682	<i>PRIMA FOODS (PTY) LTD</i>	<i>17</i>	<i>5390275</i>	<i>Ramotswa</i>
C00770802	<i>EUREKA WHOLESALERS</i>	<i>17</i>	<i>3913896</i>	<i>P O Box 1016 Gaborone</i>
C044998	RALS (PTY) LTD T/A TRANSWORLD FOODS	16		
C007998	BIC BOTSWANA (PTY) LTD	16		
C004687	<i>THE EDUCATIONAL BOOK SERVICES</i>	<i>16</i>	<i>3930358</i>	<i>Private Bag BO245</i>

				<i>Gaborone</i>
C056253	DEFY (BOTSWANA) (PTY) LTD	16		
C007708	<i>EUREKA WHOLESALERS (PTY) LTD</i>	<i>16</i>	<i>3913896</i>	<i>P O Box 1016 Gaborone</i>
C007803	<i>GENERAL PACKAGING INDUSTRIES (PTY)</i>	<i>16</i>	<i>3912908</i>	<i>P O Box 1523 Gaborone</i>
C007600	LEWIS STORES (BOTSWANA) PTY LTD	16		
C056841	<i>CHOPPIES DISTRIBUTION CENTRE (PTY)</i>	<i>16</i>	<i>3186626</i>	<i>P O Box 65 Lobatse</i>
C007846	<i>PREMIER CLOTHING (PTY) LTD</i>	<i>16</i>	<i>3926715</i>	<i>Gaborone</i>
C002069	SNAP (BOTSWANA) (PTY) LTD	16		
C008018	CSC & EC (PTY) LTD	15		
C008106	<i>KALCON (PTY) LTD</i>	<i>15</i>	<i>3909202</i>	<i>Private Bag 00322 Gaborone</i>
C003983	<i>PARMALAT BOTSWANA (PTY) LTD</i>	<i>15</i>	<i>3911151</i>	<i>Private Bag 00246 Gaborone</i>
C036479	BOTSWANA RAILWAYS	15		
C006080	CONSOLIDATED CONTRACTORS-COMPANY	15		
C002493	KGALAGADI PLASTIC INDUSTRIES (PTY)	15		
C004342	GAFOOR INVESTMENTS (PTY) LTD	15		
C008143	SPAAR CENTRAL (PTY) LTD	15		
C060805	OCLIN PTY LTD	14		
C006154	H & J APPLIANCES t/a JM SALES & DIST	14		
C046619	RADICAL INVESTMENTS PTY LTD	14		
C045299	MINARAS INVESTMENTS (PTY) LTD	14		
C038762	TECHNOLOGY SUPPLY COMPANY PTY LTD	14		
C042754	SPAR INVESTMENTS (PTY) LTD	14		
C007801	NBL BOTSWANA (PTY) LTD	14		
		1,944		

Annex 3

Producers keen on matchmaking who are not currently importing

Agriculture- Tswana Heritage	<i>Henry Ndungu</i>	72254085
Agro-processing- 3MK	<i>Fred Ramatlapeng</i>	c/o 3911883
Payroll support-Moutlwasi Investments	<i>Kay Baile</i>	3903210
IT training- Compu-data Training	<i>Virginiah Kibera</i>	5440329
Cleaning materials and protective clothing-	<i>Boikutsho Gouh</i>	71638001
Crafts- Tidja Nkando-	<i>Chigedze Chinye</i>	72269357
Leather- Seroka Leather Works-	<i>Connie Nagafela</i>	72372784
Glass recycling-	<i>Peter Mosesanyane</i>	3181931
Small coffee shop franchise- Integrity Beauty Parlour-	<i>Kay Baile</i>	3903210
School furniture- Kgobati Furniture-	<i>Lekgotla</i>	5440441
Nsundano Tours-	c/o <i>EAOB</i>	3911883

Annex 4: COMMONLY IMPORTED PRODUCTS WHICH RSA-BASED SMEs COULD SUPPLY TO BOTSWANA.

Customs		Pula Value
Code	Description	
01051100	Live fowls of species gallus domesticus, weighing =<185g (chicks)	3,432,660
01059200	Live fowls of species gallus domesticus, weighing >185g but <2000g	2,400,602
04031000	Yogurt	10,601,539
04039000	Buttermilk, curdled milk and cream, etc (excl. yogurt)	1,528,120
04051000	Butter	1,047,585
04062000	Grated or powdered cheese	50,561
04069000	Cheese, nes	6,639,796
04089900	Birds' eggs, not in shell (excl. dried)	0
06029000	Other live plants, nes	1,308,143
07019000	Other potatoes, fresh or chilled	17,245,188
07020000	Tomatoes fresh or chilled	10,610,332
07031000	Onions and shallots, fresh or chilled	3,644,047
07049000	White and red cabbages, kohlrabi, kale...etc, fresh or chilled	1,686,302
07061000	Carrots and turnips, fresh or chilled	3,965,566
07069000	Beetroot...radishes and other similar edible roots, fresh or chilled	1,759,280
07099000	Other vegetables, fresh or chilled, nes	3,634,168
07101000	Potatoes, frozen	9,096,217
07119010	SHALLOWS AND LEEKS	199,534
07119030	FRUITS OF THE GENUS PIMENTA	6,658
07119090	other other vegetables; mixtures of vegetables n.e.s	325,259
07122000	Dried onions	60,318
07123000	Dried mushrooms and truffles	6,751
07133300	Dried kidney beans, incl. white pea beans, shelled	5,222,778
08030000	Bananas, including plantains, fresh or dried	6,922,004
08045000	Guavas, mangoes and mangosteens, fresh or dried	1,104,199
08051000	Oranges, fresh or dried	1,242,941
08061000	Fresh grapes	1,364,636
08081000	Apples, fresh	12,682,547
08082000	Pears and quinces, fresh	2,167,850
08091000	Apricots, fresh	72,381
08109090	other fresh fruits not elsewhere specified	150,771
09011110	coffee, not roasted or decaffeinated OF THE SPECIES COFFEA ARABICA	2,592,573
09011190	other coffee not roasted: not decaffeinated	3,170,561
09023000	Black tea(fermented) & partly fermented, whether or not flavoured,in packings of <=3kg	3,348,672
09109100	Spice mixtures	3,300,571
09109900	Other spices, nes	12,622,468
10051000	Maize seed	14,840,296
10059000	Maize (excl. seed)	65,282,700
10070000	Grain sorghum	12,017,107
15121100	Crude sunflower-seed and safflower oil	4,830,141
15121920	other sunflower-seed, safflower oil & fractions IN CONTAINERS HOLDING 205 LITERS OR LESS	5,462,539
15121990	other sunflower,safflower,cotton-seed oil & fractions not chemically modified n.e.s.	13,285,217
15122900	other sunflower-seed, safflower/cotton seed oil refined/not, not chemically modified	5,370,193

	nes	
15162010	CASTROL OIL, RE-ESTERIFIED	160,455
17049000	Sugar confectionery (incl. white chocolate), not containing cocoa, nes	25,356,052
20052000	Potatoes, preserved other than by vinegar or acetic acid, not frozen	10,551,015
20055100	Shelled beans, preserved other than by vinegar, etc, not frozen	1,113,457
20055900	Beans, unshelled, preserved other than by vinegar, etc, not frozen	4,845,359
20059090	other vegetables & mixtures of veges not elsewhere specified	4,088,351
20079900	Other jams, fruit jellies, marmalades, etc, being cooked preparations	2,099,280
20081100	Ground-nuts, preserved	1,910,334
20081900	Nuts and seeds including mixtures, preserved	5,228,128
20091100	Frozen orange juice, unfermented, not containing added spirit	546,565
20091900	Unfrozen orange juice, unfermented, not containing added spirit	5,527,102
20098010	FRUIT JUICES of any other single fruit n.e.s	3,870,855
20099010	FRUIT JUICES of mixtures of juices	45,973,307
22011000	Mineral waters and aerated waters, unsweetened	2,433,894
22019000	Other unsweetened waters; ice and snow	887,942
22021010	Waters, mineral waters&aerated waters in sealed containers holding 2.5L OR less	3,428,303
22041000	Champagne and sparkling wine	1,948,984
22042130	GRAPE MUST; FERMENTATION STOPPED BY ADDED ALCOHOL	5,795,806
22042140	UNFORTIFIED WINE in containers holding 2 litres or less	9,107,457
22051000	Vermouth and other wine of fresh grapes, flavoured: <2l containers	656,322
22059000	Vermouth and other wine of fresh grapes, flavoured: >2l containers	813,185
22060005	SPARKLING BEVERAGES	9,487,663
22060015	SORGUM BEER	1,815
22060080	OTHER UNFORTIFIED BEVERAGES	1,560,195
22060090	other fermented beverages (e.g cider,perry,mead)---other n.e.s	11,040,963
22082010	IN CONTAINERS HOLDING 2 L OR < BEING SPIRITS OBTAINED DISTILLIN GRAPE WINE OR GRAPE MARC	2,559,907
23091000	Dog or cat food, put up for retail sale	3,875,385
23099020	FODDER SUPPLEMENT (EXCLUDING MILK SUBSTITUTES) FOR STOCK FEEDING	287,082
23099090	other preparations of a kind used in animal feeding not elsewhere specified	23,474,927
24039910	SNUFF	1,694,476
27111100	Natural gas, liquefied	30,783,479
28044000	Oxygen	1,221,093
30051000	Adhesive dressings..., for medical... purposes	1,387,875
30059090	Other wadding, gauze, bandages and similar article---other	2,029,534
30061000	Materials for surgical sutures; laminaria ; absorbable haemostatics	76,003
32089090	other paints & varnishes based on synthetic/chemically modified natural polymers n.e.s.	5,395,705
32091000	Paints... based on acrylic or vinyl polymers, in an aqueous medium	6,839,291
32099000	Paints and varnishes, in an aqueous medium, nes	8,822,403
32100000	Other paints and varnishes (incl. enamels...)...	1,760,102
32151100	Black printing ink, whether or not concentrated or solid	872,021
32151900	Printing ink, whether or not concentrated or solid (excl. black)	18,949,971
32159000	Other ink, whether or not concentrated or solid, nes	3,634,421
34060000	Candles, tapers and the like	8,138,647
35061000	Products put up as glues or adhesives for retail sale, =<1kg	2,062,124
35069100	Adhesives based on rubber or plastic (incl. artificial resins)	2,224,849
35069900	Prepared glues and other prepared adhesives, nes	3,839,451
36030000	Safety fuses; detonating fuses; caps; igniters; electric detonators	5,071,377
36050000	Matches (excl. pyrotechnic articles of 36.04)	4,937,137
38099100	Finishing agents, etc, of a kind used in the textile or like industries nes	2,157,536

38140000	Organic composite solvents and thinners, nes; paint or varnish removers	3,325,674
39171030	UNPRINTED BEING ARTIFICIAL GUTS(SAUSAGE CASINGS)	159,326
39231000	Boxes, cases, crates and similar articles of plastics	6,662,244
39232100	Sacks and bags (incl. cones) of polymers of ethylene	4,917,413
39232900	Sacks and bags (incl. cones) of other plastics (excl. ethylene)	11,148,250
39241000	Tableware and kitchenware of plastics	15,286,739
39249000	Household and toilet articles of plastics, nes	5,745,528
39251000	Reservoirs... and similar containers, capacity >300 l, of plastics	2,262,697
39259000	Builders' ware of plastics, nes	1,591,222
39269003	BEEDS, NOT COATED WITH PEARL ESSENCE	435,215
39269083	CONNECTORS FOR OPTICAL FIBRES AND OPTICAL FIBRE CABLES	24,893
40151100	Surgical gloves	937,524
40169390	other gaskets,washers & other seals of rubber not elsewhere specified	4,936,600
44031000	Wood in the rough..., treated with paint, stains, creosote, etc	9,688,966
44041000	Coniferous hoopwood; split poles, etc; wooden sticks, etc; chipwood	969,653
44071000	Coniferous wood sawn or chipped lengthwise, sliced or peeled, >6mm thick	29,222,779
44079900	Wood, nes sawn or chipped lengthwise, sliced or peeled, >6mm thick	1,715,522
44091000	Coniferous wood, continuously shaped along any of its edges or faces	6,251,282
44101100	Waferboard, including oriented strand board of wood	481,349
44101900	Particle board and similar board of wood (excl. waferboard & oriented strand board)	614,414
44111900	Fibreboard of a density >0.8g/cm3, nes	672,090
44152010	PALLETS, BOX PALLETS AND OTHER LOAD BOARDS; PALLET COLLARS	5,746,025
44182000	Doors and their frames and thresholds, of wood	21,460,192
44189000	Builders' joinery and carpentry, of wood, nes	4,703,942
44209000	Wood marquetry, inlaid wood; caskets... of wood	2,399,030
44219090	other articles of wood n.e.s.	2,047,405
48026000	Paper... (>50% of mechanical fibres), uncoated, in rolls or sheets, nes	1,928,734
48101190	other paper and paperboard of a mass of not more than 150g/m2 n.e.s.	5,637,036
48109900	Paper and paperboard, coated with kaolin, etc, nes	374,150
48171000	Envelopes of paper or paperboard	1,674,614
48173000	Boxes, etc, of paper or paperboard containing paper stationery	637,952
48181000	Toilet paper	15,413,047
48182000	Handkerchiefs and cleansing or facial tissues of paper...	5,515,977
48184000	Sanitary towels and tampons, napkins and napkin liners for babies, etc	16,406,247
48189000	Household, sanitary or hospital articles of paper..., etc, nes	1,480,128
48191000	Cartons, boxes and cases, of corrugated paper or paperboard	26,202,043
48192000	Folding cartons, boxes and cases, of non-corrugated paper or paperboard	3,724,501
48196000	Box files, letter trays, storage boxes, etc, of paper	2,701,446
48201000	Registers, account books,order and receipt books, of paper, paperboard	4,498,719
48203000	Binders, (other than book covers), folders and file covers of paper or paperboard	1,311,097
48204000	Manifold business forms and interleaved carbon sets	1,085,599
48209000	Blotting pads, book covers and other articles of stationery of paper...	2,025,727
48211000	Printed paper or paperboard labels of all kinds	3,178,703
48219000	Paper or paperboard labels of all kinds (excl. printed)	1,674,613
48235900	Paper and paperboard writing, printing, etc, cut to shape, nes	2,948,271
48236000	Trays, dishes, plates and cups, etc, of paper or paperboard	2,665,064
49011000	Printed books, brochures, leaflets, etc, in single sheets	9,592,189
49019900	Printed books, brochures, leaflets and similar printed matter, nes	46,381,641
55096900	Yarn, <85%acrylic or modacrylic staple fibres, nes, nprs	464,058
57019000	Carpets and other textile floor coverings, of other textiles, knotted	1,484,330
57032000	Tufted floor coverings of nylon or other polyamides	1,558,162

59119010	POLISHING AND GRINDING BUFFS	47,901
59119090	other textile products for technical use, n.e.s	2,504,377
61103020	JERSEYS, PULOVERS, SLIP-OVERS,CARDIGANS,TWINSETS,BED JACKETS AND JUMPERS	583,368
63071000	Floor-cloths, dish-cloths, dusters and similar cleaning cloths	2,939,138
65059000	Hats and other headgear, knitted or crocheted, or made from lace, etc	2,493,346
68091100	Boards..., of plaster..., reinforced with paper or paperboard only	7,192,426
68091900	Boards..., of plaster or compositions based on plaster, nes	2,467,334
68101100	Building blocks and bricks, of cement or artificial stone or concrete	5,088,808
68109100	Prefabricated structural components for building, etc, of cement...	1,378,142
69041000	Ceramic building bricks	93,267
69049000	Ceramic flooring blocks, support or filler tiles and the like	2,447,411
69051000	Ceramic roofing tiles	6,841,497
69059000	Ceramic chimney-pots... and ceramic constructional goods, nes	1,868,069
69081000	Glazed tiles, cubes and similar articles, for mosaics	4,241,591
69089000	Glazed ceramic flags and paving, hearth or wall tiles, etc, nes	8,732,209
69101000	Ceramic sinks... and other sanitary fixtures, of porcelain or china	3,987,525
69109000	Ceramic sinks, wash basins, baths... and other sanitary fixtures, nes	5,326,203
69111000	Tableware and kitchenware, of porcelain or china	2,728,678
69120000	Ceramic tableware... other household articles (excl. porcelain or china)	1,967,099
71131900	Articles of jewellery and parts thereof of precious metal (excl. silver)	1,826,834
73084010	MINING APPLINCES	6,832,989
73084090	other scaffolding,shuttering,propping/pit propping equipment	5,547,527
73130000	Barbed wire and other fencing material, of iron or steel	916,933
73142000	Wire iron/steel grill,fence, net, welded at intersection, mesh>=100cm2, X-section >=3mm.	3,251,032
73143900	Iron/steel grill, netting & fencing, welded at intersection, not elsewhere specified	2,708,163
73144100	Iron/steel cloth, grill, netting & fencing, nes, plated or coated with zinc	1,094,715
73181526	SOCKET SCREWS	1,393,903
73181590	other socket screws & bolts with/without their nuts or washers not used on aircrafts	7,544,036
76101000	Doors, windows and their frames and thresholds, of aluminium	4,697,555
76109000	Aluminium structure and parts of structures..., nes	7,536,867
76129090	other aluminium casks,drums,cans,boxes and similar containers---other	888,974
76130000	Aluminium containers for compressed or liquefied gas	100,566
76169910	VENETIAN BLINDS	431,762
76169990	other articles of aluminium of sub-heading 7616.99 ---other	1,885,301
83040000	Filing cabinets, card-index cabinets... or desk equipment of base metal	2,493,632
83100000	Sign-plates, name-plates, address-plates, etc, of base metal	3,528,394
84145900	Fans, nes	2,769,348
84314100	Buckets, shovels, grabs and grips of machinery of 84.26, 84.29 and 84.30	2,933,129
84314950	Picks, chisels, bits and the like and blanks thereof, suitable for coal...	3,905,766
84385000	Machinery for the preparation ofmeat or poultry	1,882,256
84389000	Parts of industrial machinery for food and drink manufacture, nes	2,270,865
84743100	Concrete or mortar mixers	1,292,762
84811010	Of A Kind Commly Used With Domestic Hot Water Systems	1,035,270
85161010	Immersion heaters identifiable for use solely or princpaly for heating	2,488,679
85299020	Cabinet for television receiving sets	156,383
85311000	Electrical burglar or fire alarms and similar apparatus	6,448,592
85354000	Lightning arresters, voltage limiters and surge suppressors, >1000 V	1,316,438
85359090	other switches, fuses lightning arresters e.t.c. not elsewhere specified	4,336,515
85362090	other automatic circuit breakers n.e.s.	3,976,873

85363090	other apparatus for protecting elec. circuits n.e.s.	3,191,449
85366990	other lampholders,plugs and sockets n.e.s.	2,281,291
85372090	other board,panels, consoles,desks,cabinets for electric control/distribution n.e.s.	4,175,411
85381000	Boards... desks, cabinets and other bases for goods of 85.37, not equipped	2,736,796
94016100	Upholstered seats, with wooden frames	13,385,725
94018000	Seats, nes	5,428,806
94029000	Medical, surgical or veterinary furniture, and parts thereof	2,538,220
94031000	Metal furniture of a kind used in offices (excl. seats)	2,493,663
94032000	Metal furniture, nes (excl. seats)	8,216,456
94033000	Wooden furniture of a kind used in offices (excl. seats)	9,151,136
94034000	Wooden furniture of a kind used in the kitchen (excl. seats)	3,333,470
94035000	Wooden furniture of a kind used in the bedroom (excl. seats)	27,248,672
94036000	Wooden furniture, nes	25,210,711
94037000	Furniture (excl. seats) of plastics	1,452,097
94038000	Furniture (excl. seats), nes	5,533,683
94039000	Parts of furniture	1,149,606
94041000	Mattress supports	13,693,159
94042100	Mattresses of cellular rubber or plastics	1,215,662
94042900	Mattresses of materials, nes	3,831,614
94049000	Articles of bedding, stuffed, etc (excl. mattresses and sleeping bags)	7,753,855
94054090	other electric lamps and lighting fittings n.e.s.	9,463,874
94060000	Prefabricated buildings	15,086,559
95069100	Articles and equipment for general physical exercise, gymnastics or athletics	4,205,542
95069900	Other articles and equipment for sport and open-air games, nes	1,472,894
96031000	Brooms and brushes, of twigs or other vegetable materials bound together	2,263,119
96032100	Tooth brushes including dental-plate brushes	1,871,952
	TOTAL	2,381,053,050

PROPORTION OF 2006 IMPORTS

11%

Annex 5: Contact details of vital organizations

Annex 5- A (Institutions visited)

BOTSWANA CONFEDERATION OF COMMERCE, INDUSTRY AND MANPOWER

BOCCIM House, Old Lobatse Road, PO. Box 432, Gaborone Botswana.

Tel: (+267) 353459; Fax (+267) 373142

Email: boccim@info.bw

Web: www.boccim.bw

BOTSWANA EXPORT DEVELOPMENT AND INVESTMENT AUTHORITY (BEDIA)

P.O. Box 3122, Gaborone

Tel: 318 1931, Fax: 318 1941

E-mail: bedia@bedia.bw, Website: www.bedia.co.bw

BOTSWANA INSTITUTE FOR DEVELOPMENT POLICY ANALYSIS (BIDPA)

P/Bag BR29, Gaborone

Tel: 397 1750, Fax: 397 1748

E-mail: bidpa@bidpa.bw, Website: www.bidpa.bw

BANK OF BOTSWANA

Dr. Masalila K.

Khama Crescent, Private Bag 154, Gaborone, Botswana

Tel:(267)3606000, Fax:(267)3913890

e-mail:webmaster@bob.bw, www.bob.bw

Department of Customs and Exercise

P/Bag 008, Gaborone

Tel: (+267) 3642100

Ministry of Finance and Development Planning

Mr. Stanley Makosha

P/Bag 008, Gaborone

Tel: (+267) 3950100

Ministry of Trade and Industry

Mrs. N.M. Masisi

P/Bag 004, Gaborone

Tel: (+267) 3971539

Central Statistics Office

Mr. Charles Rabotiwa

3956117

Nata Clearing and Forwarding

Plot 8841, Industrial Site

Selebi-Phikwe

Tel: (+267) 2615034

Debswana Supply Chain Management

Joe Ramotshabi

3648000

Exporters Association of Botswana

Evangelist Loago Raditedu

3911883

P.O. Box 149 Suite 255 Gaborone

Botswana Tourism Board
Mr. Katala
391311

Venture Partners Botswana
Mr. Daudi
3181012

National Development Bank
3952801
PO Box 225
Gaborone

Botswana Credit Insurance Guarantee Company (BECI)
Mr. Bonang Dube
3188015
P/BAG BO 279 GABORONE

HATAB
Marketing Manager
3957144
P/BAG 00423 GABORONE

Annex 5 – B Other vital contact organizations but which were not consulted.

BARCLAYS BANK OF BOTSWANA
P.O. Box 478
Gaborone
Botswana
Tel: +267 3952041

BOTSWANA BUILDING SOCIETY (BBS)
P.O. Box 40029, Gaborone
Tel: 397 1396, Fax: 390 3029, Website: www.bbs.co.bw

BOTSWANA BUREAU OF STANDARDS (BOBS)
Managing Director
P/Bag BO48, Gaborone
Tel: 316 4044, Fax: 316 4042
E-mail: infoc@hq.bobstandards.bw

BOTSWANA DEVELOPMENT CORPORATION LTD. (BDC)
Manager
P/Bag 160, Gaborone
Tel: 365 1378, Fax: 390 4193
E-mail: bdc@bdc.bw, Website: www.bdc.bw

BOTSWANA INSURANCE FUND MANAGEMENT LTD.
P/Bag BR185, Gaborone
Tel: 395 1564, Fax: 318 0496
E-mail: info@bifm.info.bw, Website: www.bifm.info.bw

BOTSWANA NATIONAL PRODUCTIVITY CENTRE (BNPC)

Executive Director
P/Bag 00392, Gaborone
Tel: 362 6300, Fax: 391 3501
E-mail: info@bnpc.bw, Website: www.bnpc.bw

BOTSWANA POWER CORPORATION (BPC)

P.O. Box 48, Gaborone
Tel: 360 3000 / 360 3223, Fax: 390 8674
E-mail: Selatot@bpc.bw

BOTSWANA RAILWAYS

P/Bag 494 Gaborone
Botswana
Tel: +267 3951401

BOTSWANA TECHNOLOGY CENTRE

P/Bag 0082, Gaborone
Tel: 391 4161 / 360 7557, Fax: 397 4677
E-mail: botec@botec.bw Website: www.botec.bw

BOTSWANA HIGH COMMISSION

P.O. Box 57035
Arcadia, 0007
Pretoria
South Africa
Tel: (2712) 4309640
Fax: (2712) 3421845

BOTSWANA CONSULATE GENERAL

8 Riebeeck Street
4th Floor, Southern Life Centre
P.O. Box 3288
Cape Town
8000
Tel: (2721) 4211045
Fax: (2721) 4211046

BOTSWANA CONSULATE GENERAL

P.O. Box 32051
Braamfontein
Johannesburg
2017
Tel: (2711) 4033748
Fax: (2711) 4031384 / 4031286

Ministry of Mineral Energy and Water Affairs

P/Bag 0018, Gaborone
Tel: (+267) 3972738

Ministry of Environment, Wildlife and Tourism

P/Bag 0068, Gaborone
Tel: (+267) 3908273

Ministry of Labour and Home Affairs

P/Bag 004, Gaborone

Tel: (+267) 361110

Manica Africa

P.O. Box 1372

Unit 4, Plot 20743

Gaborone, Botswana

Tel: (+267) 3912677

RÖHLIG International Forwarding

Plot 10221

Moporoporo Road

P.O. Box 1973

Gaborone, Botswana

Tel: (+267) 3953505

Elliott Forwarding

Plot 22098/4/B/1

BDC Complex

P.O. Box 2044

Gaborone, Botswana

Tel: 3912531

SDV Botswana

Plot 5625, Lejara Road

P/Bag 172

Gaborone, Botswana

Zebra Shipping

Plot 220038, Unit no. 2

BDC Shed, Takatokwane Road

P.O. Box 502373

Gaborone, Botswana

Tel: (+267) 3923327

Royal Freights

Plot 10032 Noko Road

Gaborone

Botswana

Tel: (+267) 3911406

Union Transport (UTI)

Plot 43, Commerce Park

P.O. Box 726

Gaborone

Botswana

Tel: (+267) 3913586

Annex 6: Summary of opportune firms, sectors & products (interviewed contacts)

Organisation	Contact Name	Telephone	Sector	Products
Tswana Heritage	Henry Njoroge	72574085	Horticulture	Seedlings, chemicals, shading
3MK	Fred Ramatlapeng		Foods- snacks	Ingredients/processes/packaging
Moutlwasi Investments	Kay Baile	3903210	BDS	Payroll services
Compu-Data Training	Virginiah Kibera	5440329	IT	Training
Boikhutso Gouh	Self	71638001	Garments	Curtains, protective clothing
Tidja Nkando Crafts	Chigedze Chinyepi	72269357	Crafts	Raw materials, marketing services, product design.
Seroka Leather Works	Connie Nagafela	72372784	Leather	Small tools, chemicals, leather
Peter Mosesanyane	Self	3181931	Glass recyling	Smelter- small scale
Integrity Beauty Parlour	Kamogelo Bashanki	72924437	Franchise	Coffee shops
Kgobati Furniture	Lekgotla Mangadi	5440441	Furniture	Wood, tools, design
Nsundano Tours	Nsundano	6250901	Tourism	Marketing services, training
Motse Lodge	Tshidi Hansen	5480363	Tourism	Marketing, foods, hygiene products.
Ko Gae Cafe	Tiny Geralt	5440241	Tourism	Interior décor, foods, training
Furniture Mart	Berry Decock	3905463	Furniture	Furniture
BMB	Patricia	3922811	Building	Building/Construction material
Pipe Fitting & Accessories	Wyne Coetze	3901958	Plumbing	Plumbing tools, pipes.
Morupule Colliry	Mabonna	4920281	Mining	Plastic sheets, shining powder, mining appliances.
Botswana Ash	Malick Mbengue	3912988	Mining	Packaging
Jamal Trading	Nassim Hassan	3922900	Building	Building materials
Building Material Supplies	Khan	2414444	Building	Building materials
Screen Print	Hassan	3914788	Printing	Assorted paper, inks
Channel Technologies	Rao/Narayan	3939005	IT	Paper products, software, assorted IT goods.
IT4Africa	Rao/Narayan	3905786	IT	Paper products, software, assorted IT goods.
Mega Save	Feroz	3936536	Building /construction	Building/Construction material
Senn Foods	Sheila Swynnerton	2413633	Meat products	Meats, recipes, spices, sausage making materials.
Tropicana	Brian	2413446	Distribution/whol	Tobacco, small tools, kitchen ware, foods.

Distributors			sale	
Tropicana-Gaborone	Mani	2413446/3928070	Distribution/whol sale	Tobacco, small tools, kitchen ware, foods.
Orthosurge	Mareledi	3902526	Health	Surgical/clinical tools
Commercial Motors	Thato	3952641	Auto	Parts, trailers, caravans
Trident Cash & Carry	Mani	3913896	Retail	Foods, tobacco, cleaning, hygiene products, ceramics, brick moulds.
Ministry of Education	Central Stores	3655400	Education	Foods, paper & books, sanitary items, cleaning items, personal care products.
PPADB	Secretary	3602000	Public sector supplies	Foods, paper & books, sanitary items, cleaning items, personal care products, lighting items, electrical itmes, packaging material, paints,medical items, wood products.
Department of Supplies	Director of supplies-		Public sector supplies	Foods, paper & books, sanitary items, cleaning items, personal care products, lighting items, electrical itmes, packaging material, paints,medical items, wood products, tooth brushes, paste, exercise equipment, cleaning materials.
Contract Supplies	Modisa	3922922	Retail	items, cleaning items, personal care products, lighting items, electrical itmes, packaging material, paints,medical items, wood products, tobacco, alcohol.
Prima Foods	Karen/Misani	5390275	Foods/retail	Packaging, spices, food preservatives.
Nortex	Mukesh	3164294	Garments	Dyes, yarn, clothing.
Eureka Wholesalers	Mani	3913896	Retail	Foods, tobacco, cleaning, hygiene products, ceramics
Educational Book Centre	Nick Hall	3930358	Education	Books, paper products.
Premier Clothing	Adams	3926715	Graments	Dyes, clothing, sewing accessories.
Kalcon	Buyer- did not give name	3909202	Building	Wood products, building items, small tools.
Parmalat	Lebo	3911151	Foods	Dairy products, packaging, ingredients.
Ribeiro panel beaters	Jose Moreira	5880769	Mining	Mining appliances